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國電科技環保集團股份有限公司

GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 01296)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and provisions under Part XIVA of the SFO.

The Company wishes to inform its shareholders and potential investors that based on its preliminary estimates of the unaudited and un-reviewed consolidated management accounts of the Group, the unaudited consolidated profit attributable to equity shareholders/owners of the Company for the six months ended June 30, 2013 is expected to decline by approximately 25% to 35% as compared to that for the same period in 2012.

The information contained in this announcement regarding the estimated results of the Group is based on a preliminary assessment by the management of the Company with reference to the management accounts of the Group which have neither been audited nor been reviewed by the auditors.

In addition, the unaudited profit attributable to equity shareholders of Longyuan Technology for the six months ended June 30, 2013 is expected to decrease by approximately 50% to 70% as compared to that for the corresponding period in 2012, based on its preliminary assessment. The estimated results are based on a preliminary assessment by the finance department of Longyuan Technology and have not been audited or reviewed by the auditors.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Guodian Technology & Environment Group Corporation Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

I. EXPECTED DECREASE OF THE RESULTS OF THE GROUP FOR THE SIX MONTHS ENDED JUNE 30, 2013

Estimated Results of the Six-Month Period Ended June 30, 2013

The board of directors of the Company (the “**Board**”) wishes to inform its shareholders and potential investors that based on its preliminary estimates of the unaudited and un-reviewed consolidated management accounts of the Group, the unaudited consolidated profit attributable to equity shareholders/owners of the Company for the six months ended June 30, 2013 is expected to decline by approximately 25% to 35% as compared to that for the same period in 2012.

Results of the Six-Month Period Ended June 30, 2012

The unaudited consolidated profit attributable to equity shareholders/owners of the Company for the six months ended June 30, 2012 was approximately RMB257.3 million.

Reasons for the Expected Decrease

Based on information available to the Company immediately preceding the release of this announcement, the expected decrease in the unaudited consolidated profit attributable to equity shareholders/owners of the Company for the six months ended June 30, 2013 as compared to that for the same period in 2012 is mainly attributable to the decreases in the profits from the Group’s wind power products and services and solar power products services businesses.

For the wind power products and services sub-segment, such decreases are substantially attributable to the deteriorating market conditions in the wind power products and services industries. In particular, China's wind power investment continued to slow down in the first half of 2013, which caused a decline in demand for wind turbine generators, the main product for the Group's wind power products and services sub-segment. The Group increased its marketing and selling expenses, partially as a result of its expanded marketing efforts to improve its market share and partially as a result of higher transportation expenses caused by fuel price increases and the customers' requests to pass such expenses to the Group. These factors contributed to the decline in net profit of the Group's wind power products and services for the first half of 2013. Furthermore, as disclosed under note 17 to the Group's 2012 interim financial statements, the Group recorded a reversed provision of approximately RMB72.7 million in respect of the wind turbines sold in prior years. Such provision reversal was not available for the same period in 2013.

For the solar power products and services sub-segment, certain solar assets which had been characterized as construction in progress commenced operations in late 2012; the Company therefore increased the amount of depreciation for these assets, and ceased to capitalize but commenced to expense, loan interests associated with these assets, in the first half of 2013. As a result, profits generated from this sub-segment for the first half of 2013 were adversely affected.

These decreases were partially offset by a substantial growth in the environmental protection solutions sub-segment, which was attributable to favorable policies in relation to tightened emissions requirements.

Risk warning

The information in this announcement regarding the estimated results of the Group is based on a preliminary assessment by the management of the Company with reference to the management accounts of the Group which have neither been audited nor been reviewed. Detailed financial information will be disclosed in the results of the Company for the six months ended June 30, 2013 to be published before the end of August of 2013.

II. EXPECTED DECREASE OF THE RESULTS OF LONGYUAN TECHNOLOGY FOR THE SIX MONTHS ENDED JUNE 30, 2013

Yantai Longyuan Power Technology Co., Ltd. (“**Longyuan Technology**”) is a subsidiary of the Company whose A shares are listed and traded on the Shenzhen Stock Exchange (Stock Code: 300105). In accordance with the listing rules of Shenzhen Stock Exchange, Longyuan Technology is required to publish its results for the six months ended June 30, 2013. Longyuan Technology proposes to publish an announcement regarding its estimated decrease of results on July 9, 2013 before publishing its results for the six months ended June 30, 2013.

The Board would like to draw the attention of its shareholders and the public investors to the following estimated results of Longyuan Technology for the six months ended June 30, 2013:

Based on the internal assessment, the unaudited profit attributable to equity shareholders of Longyuan Technology for the six months ended June 30, 2013 is expected to be approximately RMB21.8 million to RMB36.3 million, representing an estimated decrease by approximately 50% to 70% as compared to that for the corresponding period in 2012.

For the six months ended June 30, 2012, the unaudited consolidated profit attributable to equity shareholders of Longyuan Technology was approximately RMB72.5 million.

The expected decrease of the results of Longyuan Technology is mainly attributable to: 1) a decrease of approximately three percentage points in gross profit margin of Longyuan Technology for the first half of 2013 as compared to that in the first half of 2012, caused by a change in income structure of Longyuan Technology as compared to the corresponding period in 2012; 2) an increase in marketing expenses incurred during Longyuan Technology’s efforts to increase the number of orders contracted during the period, amid an intensified market competition and 3) a considerable increase in cost of sales associated with product improvement initiatives undertaken by Longyuan Technology to fix product issues or defects discovered during the actual use of the products, in order to maintain its market reputation.

These estimated results of Longyuan Technology are based on preliminary assessment by the finance department of Longyuan Technology and have not been audited or reviewed by the auditors. Detailed financial information will be disclosed in the results of the Longyuan Technology for the six months ended June 30, 2013 to be published by Longyuan Technology.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Guodian Technology & Environment Group Corporation Limited*
Mr. YE Weifang
Vice chairman of the Board

Beijing, PRC, July 9, 2013

As at the date of this announcement, the non-executive Directors of the Company are Mr. Zhu Yongpeng, Mr. Yang Guang, Mr. Feng Shuchen and Mr. Yan Andrew Y.; the executive Directors are Mr. Ye Weifang, Mr. Li Hongyuan and Ms. Wang Hongyan; and the independent non-executive Directors are Mr. Lu Yanchang, Mr. Zhai Ligong, Mr. Shi Dinghuan and Mr. Fan Ren Da Anthony.

* *For identification purpose only*